Hariani suggested that "leader-level" action—a meeting of minds among leaders of the two countries—would be necessary to achieve the goal of reducing the size of its bilateral trade deficit with the United States. However, this approach is becoming increasingly unlikely as time passes and the U.S. government is rightly focusing on coronavirus management. The pandemic has caused significant disruptions, with travel restrictions and other measures implemented to combat the virus, which has led to economic downturns and changes in consumer behavior.

In this context, the phase one trade deal signed by the U.S. and China in January 2020 aims to address issues such as intellectual property (IP) protection, technology transfer, and market access. The deal requires China to purchase an additional $200 billion worth of U.S. goods and services over two years, among other commitments. However, estimates vary from 30-60% regarding the gap in China's purchases under the phase one trade deal. While only three months remain to meet the target, the downturn from the coronavirus pandemic has severely impacted global trade and consumer spending. Kudlow and other officials associated with trade negotiations have stressed that the agreement is "absolutely not" falling apart and that the phase one deal is "definitely" worth state-to-state dispute actions under the dispute settlement mechanism of the World Trade Organization (WTO).

The U.S. and China are both imposing retaliatory tariffs on each other's goods, and there is a risk that this tit-for-tat approach could escalate and become permanent. The U.S. strategy is to use tariffs to pressure China into making meaningful changes to its economic policies, with the goal of securing permanent trade liberalization and job-creating regulations. The U.S. is imposing tariffs on hundreds of billions of items under Section 301 and other titles of U.S. law, and China is retaliating with similar tariffs.

The U.S. has been developing a list of Chinese products that are subject to potential retaliation after the phase one trade deal. These products include textiles, footwear, and machinery. The U.S. is also considering the option of sanctions by the EU on the U.S. side in order to rebalance the trade relationship. The U.K. government, under Prime Minister Boris Johnson, is pushing to reach a trade deal with the U.S. before the phase one commitments are due to expire at the end of 2020. However, the talks have faced delays and challenges due to the pandemic, and a comprehensive trade agreement may be difficult to achieve.

During a virtual meeting between EU trade ministers, EU Trade Commissioner Mariya Gabriel announced that the European Union-led Multi-Party Interim Appeal (MPIA) was created in January 2020 to address the lack of a budget for WTO dispute settlement. The MPIA was designed to provide funding to support the 20-member interim appellate body (IAB) and other WTO functions. The U.S. expressed opposition to WTO budget funding, arguing that it should be the responsibility of member countries. However, the MPIA has been successful in providing necessary funding and has been supported by many member countries.

The MPIA has been able to successfully settle several disputes, including the U.S.-U.K. national treatment and foreign affiliates dispute, the EU's上诉 in the case of U.S. - U.K. subsidies, and the EU's appeal of the U.S. - U.K. dispute over the WTO's decision on the EU's national treatment and foreign affiliates dispute. The MPIA has also provided funding for several other disputes, including the dispute between Canada, the U.S., and Mexico over the WTO's decision on the U.S. - U.K. national treatment and foreign affiliates dispute. The MPIA has been successful in providing funding for several other disputes, including the dispute between Canada, the U.S., and Mexico over the WTO's decision on the U.S. - U.K. national treatment and foreign affiliates dispute.